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## **Independent Accountant's Report On Compliance**

To the Board of Directors of Verizon Communications Inc. and  
Federal Communications Commission:

1. We have examined Verizon Communications Inc.'s (the "Company" or "Verizon") compliance with (i) the conditions set forth in Appendix B and paragraphs 26 through 95<sup>1</sup> (the "Genuity Conditions") of the Federal Communications Commission's (the "FCC") Memorandum Opinion and Order in Common Carrier Docket No. 98-184<sup>2</sup> approving the Bell Atlantic/GTE Merger (the "Merger Order") for the period from January 1, 2002 through December 17, 2002<sup>3</sup>, and (ii) the compliance plan set forth in the FCC order adopting the consent decree<sup>4</sup> related to the Genuity Conditions audit (the "Remedial Measures")<sup>5</sup>; and management's assertion, included in the accompanying Report of Management on Compliance with the Genuity Conditions Set Forth in FCC Order Approving the Bell Atlantic/GTE Merger and on Compliance with Compliance Plan Remedial Measures Set Forth in FCC Order Adopting Consent Decree Related to the Genuity Conditions Audit (the "Report of Management"), that Verizon complied with the Genuity Conditions for the period from January 1, 2002 through December 17, 2002 and the Remedial Measures. The management of Verizon is responsible for their compliance with specified requirements of the Genuity Conditions and the Remedial Measures. Our responsibility is to express an opinion on Verizon's compliance based on our examination.
2. Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Verizon's compliance with the Genuity Conditions and the Remedial Measures and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Verizon's compliance with specified requirements.
3. As required by Condition XXI, *Compliance Program*, Verizon filed an annual compliance report on March 17, 2003, which included information related to Conditions I through XXV, the Genuity Conditions and the Remedial Measures. We did not perform any procedures regarding the information contained in the annual compliance report for Conditions I through XXV.
4. As noted in the accompanying Report of Management, Verizon provided the Service Quality Reports to the FCC and Mitchell & Titus, LLP ("M&T") to assist in the assessment of whether Verizon discriminated in favor of Genuity, Inc. ("Genuity") in the provision of high-speed special access and regular special access services; however, Verizon did not provide an assertion as to whether they have discriminated in favor of Genuity, because, in management's opinion, no such assertion is required by the Merger Order. The Merger Order, in management's opinion, requires Verizon to comply with the requirements of Service Quality Genuity Conditions by providing the Service Quality Reports. We found no objective criteria in the Merger Order sufficient to permit us to form an opinion on whether Verizon discriminated in favor of Genuity in the provision of high-speed and regular special access services over other unaffiliated carriers. Due to the absence of such criteria, we are unable to express an opinion on whether Verizon discriminated in favor of Genuity in the provision of high-speed access and regular special access services.

5. Pursuant to the FCC May 29<sup>th</sup> Letter<sup>6</sup>, M&T should use Section 202(a) of the Telecommunications Act of 1996 ("Act") as guidance to evaluate special access discrimination. According to the FCC, evaluating discrimination under Section 202(a) of the Act is a "three-prong" process: (a) determining which services are "like" services; (b) determining whether there are service quality differences for like services; and (c) determining whether those differences are unjust or unreasonable. The FCC May 29<sup>th</sup> Letter was modified by the FCC June 12<sup>th</sup> Letter<sup>7</sup>, which required M&T to perform only the first "two-prongs" of Section 202(a) of the Act because, according to the FCC, Paragraph 72 of the Merger Order only requires the auditor to determine whether Verizon's special access service quality to Genuity was better, as defined in Appendix I, than other unaffiliated carriers, and not to determine whether discrimination is unjust or unreasonable. As fully described in Appendix I, we performed the first two-prongs, as instructed by the FCC, using an approach that identifies statistically significant instances where Verizon provided better service to Genuity based on disaggregated circuit information provided by Verizon for each month from January 2002 to December 2002. Based on the results of these procedures, we disclosed in Section III of Appendix I, instances where Genuity received statistically significant better service than other unaffiliated carriers. Appendix I was included with this examination report solely to assist the FCC with their evaluation of Verizon's compliance with the Merger Order.
6. Appendix II provides the list of agreements (including statements of work and amendments) between Verizon and Genuity ("Known Genuity Agreements") as of December 17, 2002 provided to M&T during our examination, and subject to our examination, but not provided to the FCC by Verizon. The Known Genuity Agreements are categorized by (i) Agreements effective prior to the Merger Order date (June 16, 2000) not provided to the FCC, and (ii) Agreements effective after the Merger Order date (June 16, 2000) not provided to the FCC.
7. In our opinion, except for (i) the lack of criteria to determine discrimination described in Paragraph 4 of this examination report, where we render no opinion, and the FCC's evaluation of whether instances of statistically better service provided to Genuity by Verizon described in Paragraph 5 of this examination report represent material noncompliance with the Genuity Conditions; and (ii) the effects of the procedures we did not perform regarding the information contained in Verizon's annual compliance report for Conditions I through XXV as described in paragraph 3 of this examination report, Verizon complied, in all material respects, with the Genuity Conditions for the period from January 1, 2002 through December 17, 2002, and the Remedial Measures, including the filing of an accurate annual compliance report for the Genuity Conditions.
8. This report is intended solely for the information and use of the Board of Directors of Verizon and the FCC and is not intended and should not be used by anyone other than these specified parties. Since this report is a matter of public record, its distribution is not limited.

*Mitchell & Titus, LLP*

May 23, 2003

**Statistical Analysis of Special Access Services Provided to  
Genuity and Other Unaffiliated Carriers  
For the period from January 2002 to December 2002**

**I. Introduction**

The Statistical Analysis of Special Access Services Provided to Genuity, Inc. (“Genuity”) and Other Unaffiliated Carriers (the “Statistical Analysis”) is attached to Mitchell & Titus, LLP’s (“M&T”) examination report on Verizon’s compliance with the Genuity Conditions and the Remedial Measures dated May 23, 2003 pursuant to the FCC June 12, 2002 Letter to the Senior Vice President, Regulatory Compliance of Verizon, which requests M&T to perform the following analysis for each state and month:

1. Compare service quality for like services (i.e. DS-0, DS-1, DS-3 and OC-n); and
2. Report instances where Genuity received better service than other unaffiliated carriers.

The information included in this Appendix is presented for the purpose of additional evaluation of Verizon’s compliance with the Merger Order by the FCC. The FCC addressed a letter to M&T dated September 27, 2002, which provided, among other things, the definition of “better” service as follows:

- For measurements stated in intervals (i.e. Average Interval in days, Average Delay Days Due to Lack of Facilities and Average Interval to Repair Service in hours), “better” service means Genuity received faster service than other unaffiliated carriers.
- For the Percentage Commitments Met measurement, “better” service means the Percentage Commitments Met for Genuity is higher than other unaffiliated carriers.
- For the Trouble Report Rate measurement, “better” service means the Trouble Report Rate for Genuity is lower than other unaffiliated carriers.

**II. Statistical Methodology and Significant Assumptions**

**a. Summary of Disaggregated Information used in the Statistical Analysis**

**Information Requested from Verizon:**

In addition to information Verizon provided in the monthly Service Quality Reports for regular and high-speed special access services required by the Merger Order, M&T requested from Verizon additional circuit data, in a disaggregated basis by state, circuit category -- i.e., DS-0, DS-1, DS-3, and OC-n -- and month for Genuity and other unaffiliated carriers (“Monthly Data”) to calculate the following performance measures for each month from January 2002 to December 2002<sup>8</sup>:

1. Special access service installation intervals -- in days (Installation Average Interval -- IAI)
2. Special access service repair intervals -- in hours (Average Interval to Repairs Service -- AIRS)
3. Average Delay Days Due to Lack of Facilities (ADDLF)
4. Percentage of Commitments Met (PCM)
5. Trouble Report Rate (TRR)
6. Total Number of Trouble Reports<sup>9</sup>

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**Information Provided by Verizon:**

Verizon provided all requested data in the format requested by M&T, except for the data detailed below.

**Information Not Provided by Verizon:**

For the East states (old Bell Atlantic states), Verizon provided circuit count information related to the trouble report rate meeting the level of aggregation required for the Genuity Reports submitted pursuant to paragraph 53, Appendix D of the Bell Atlantic/GTE Merger Conditions. That is, the data was disaggregated by two circuit category types: All Circuits (DS0, DS1, DS3, and OCn), and High Capacity (DS1, DS3, and OCn) and not individually by DS0, DS1, DS3 and OCn. Therefore, the TRR analysis for the East was not performed to the same level of disaggregation as that performed for the West.

According to Verizon, the historical 2002 Verizon East circuit counts are not available on a more disaggregated circuit-type basis. Such information is only available on a present, “snap-shot” basis. The archiving process for East circuits is limited to the level of disaggregation required for the production of the monthly Service Quality Reports, as a result, the only East circuit category available for 2002 is for high speed and all special access.

Since this additional circuit category information was not provided, tests for Verizon East states, for TRR, was performed for DS0 and High Capacity circuits for each state and time period. Results of the statistical analysis for the TRR performance measure are shown combined (East and West) and separately for East and West states. See Section III below.

**b. Methodology and Significant Assumptions employed in the Statistical Analysis**

Because of the low volume of Genuity activity in the Monthly Data described above, the commonly used t- or z- tests for the comparison of means were not used because of their strong assumptions of approximate normality and equal variance. Instead, permutation tests or Fisher’s Exact Tests were used for all comparisons between Genuity and other unaffiliated carriers.<sup>10</sup> These tests do not have the strong data assumptions made by parametric tests to obtain correct probabilities of incorrect rejection of the hypothesis of no difference in service. Thus they allow valid comparisons for very small sample sizes. Should other statistical methodologies or assumptions be used, the statistical results may vary.

Both one-tailed (“One-Tailed Test”) and two-tailed tests (“Two-Tailed Test”) of significance were used in the Statistical Analysis. The One-Tailed Tests only provide one-directional differences where Genuity may receive statistically significant better service than other unaffiliated carriers. The Two-Tailed Tests provide two directional differences where Genuity may receive statistically significant (i) better service and (ii) worse service than other unaffiliated carriers.

A 95% level of significance was used in the One-Tailed and Two-Tailed Tests. When there are no differences in service levels provided to Genuity and the other unaffiliated carriers, 5% of the tests would be expected to be statistically significant by chance alone, which means that under the

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test design, 5% of the time, significant differences will be identified even when there are, indeed, no differences.

**III. Results of the Statistical Analysis**

The results of the Statistical Analysis presented below are based upon the low Genuity activity volumes, the available data, and the methodology and assumptions described above. Statistical significance merely indicates a difference was large enough to indicate that a real difference exists. It does not suggest anything about the practical significance of that difference or indicate anything about the cause of the difference.

In addition, the results of the Statistical Analysis do not consider relevant factors (such as understanding the causes of variances in service provided, consideration of customer requirements affecting each service, etc.) that may impact the said analysis.

Monthly, quarterly and semi-annual results, using the Monthly Data provided by Verizon, are as follows:

**a. Monthly Results**

**1. One-Tailed Test Results**

Of the 59 monthly tests performed for IAI, there were 10 instances (17%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers. The remaining 49 tests (83%) showed no statistically significant difference in service.

Of the 169 monthly tests performed for AIRS, there were 17 instances (10%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers. The remaining 152 tests (90%) showed no statistically significant difference in service.

Of the 1 monthly test performed for ADDLF, there were 0 instances (0%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers. The remaining 1 test (100%) showed no statistically significant difference in service.

Of the 59 monthly tests performed for PCM, there were 0 instances (0%) that indicated that Genuity had statistically significantly more commitments met than other unaffiliated carriers. The remaining 59 tests (100%) showed no statistically significant difference in service.

Of the 535 monthly tests performed for TRR, there were 9 instances (2%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers. The remaining 526 tests (98%) showed no statistically significant difference in service.

Of the 177 monthly tests performed for TRR for Verizon East states, there were 7 instances (4%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers. The remaining 170 tests (96%) showed no statistically significant difference in service.

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Of the 358 monthly tests performed for TRR for Verizon West states, there were 2 instances (1%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers. The remaining 356 tests (99%) showed no statistically significant difference in service.

**2. Two-Tailed Test Results**

Of the 59 monthly tests performed for IAI, there were 9 instances (15%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers and 1 instance (2%) that indicated that Genuity received statistically significant slower service. The remaining 49 tests (83%) showed no statistically significant difference in service.

Of the 169 monthly tests performed for AIRS, there were 12 instances (7%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers and 5 instances (3%) that indicated that Genuity received statistically significant slower service. The remaining 152 tests (90%) showed no statistically significant difference in service.

Of the 1 monthly test performed for ADDLF, there were 0 instances (0%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers and 0 instances (0%) that indicated that Genuity received statistically significant slower service. The remaining 1 test (100%) showed no statistically significant difference in service.

Of the 59 monthly tests performed for PCM, there were 0 instances (0%) that indicated that Genuity had statistically significantly more commitments met than other unaffiliated carriers and 0 instances (0%) that indicated that Genuity received statistically significantly fewer commitments met. The remaining 59 tests (100%) showed no statistically significant difference in service.

Of the 535 monthly tests performed for TRR, there were 9 instances (2%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers and 32 instances (6%) that indicated that Genuity received statistically significantly more troubles per line. The remaining 494 tests (92%) showed no statistically significant difference in service.

Of the 177 monthly tests performed for TRR for Verizon East states, there were 7 instances (4%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers and 2 instances (1%) that indicated that Genuity received statistically significantly more troubles per line. The remaining 168 tests (95%) showed no statistically significant difference in service.

Of the 358 monthly tests performed for TRR for Verizon West states, there were 2 instances (1%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers and 30 instances (8%) that indicated that Genuity received

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statistically significantly more troubles per line. The remaining 326 tests (91%) showed no statistically significant difference in service.

**b. Quarterly Results**

**1. One-Tailed Test Results**

Of the 40 quarterly tests performed for IAI, there were 6 instances (15%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers. The remaining 34 tests (85%) showed no statistically significant difference in service.

Of the 114 quarterly tests performed for AIRS, there were 8 instances (7%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers. The remaining 106 tests (93%) showed no statistically significant difference in service.

Of the 1 quarterly test performed for ADDLF, there were 0 instances (0%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers. The remaining 1 test (100%) showed no statistically significant difference in service.

Of the 40 quarterly tests performed for PCM, there were 0 instances (0%) that indicated that Genuity had statistically significantly more commitments met than other unaffiliated carriers. The remaining 40 tests (100%) showed no statistically significant difference in service.

Of the 198 quarterly tests performed for TRR, there were 19 instances (10%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers. The remaining 179 tests (90%) showed no statistically significant difference in service.

Of the 60 quarterly tests performed for TRR for Verizon East states, there were 14 instances (23%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers. The remaining 46 tests (77%) showed no statistically significant difference in service.

Of the 138 quarterly tests performed for TRR for Verizon West states, there were 5 instances (4%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers. The remaining 133 tests (96%) showed no statistically significant difference in service.

**2. Two-Tailed Test Results**

Of the 40 quarterly tests performed for IAI, there were 5 instances (13%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers and 0 instances (0%) that indicated that Genuity received statistically significant slower service. The remaining 35 tests (87%) showed no statistically significant difference in service.

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Of the 114 quarterly tests performed for AIRS, there were 5 instances (4%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers and 7 instances (6%) that indicated that Genuity received statistically significant slower service. The remaining 103 tests (90%) showed no statistically significant difference in service.

Of the 1 quarterly test performed for ADDLF, there were 0 instances (0%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers and 0 instances (0%) that indicated that Genuity received statistically significant slower service. The remaining 1 test (100%) showed no statistically significant difference in service.

Of the 40 quarterly tests performed for PCM, there were 0 instances (0%) that indicated that Genuity had statistically significantly more commitments met than other unaffiliated carriers and 0 instances (0%) that indicated that Genuity received statistically significantly fewer commitments met. The remaining 40 tests (100%) showed no statistically significant difference in service.

Of the 198 quarterly tests performed for TRR, there were 13 instances (7%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers and 25 instances (12%) that indicated that Genuity received statistically significantly more troubles per line. The remaining 160 tests (81%) showed no statistically significant difference in service.

Of the 60 quarterly tests performed for TRR for Verizon East states, there were 10 instances (17%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers and 0 instances (0%) that indicated that Genuity received statistically significantly more troubles per line. The remaining 50 tests (83%) showed no statistically significant difference in service.

Of the 138 quarterly tests performed for TRR for Verizon West states, there were 3 instances (2%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers and 25 instances (18%) that indicated that Genuity received statistically significantly more troubles per line. The remaining 110 tests (80%) showed no statistically significant difference in service.

**c. Semi-Annual Results**

**1. One-Tailed Test Results**

Of the 32 semi-annual tests performed for IAI, there were 8 instances (25%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers. The remaining 24 tests (75%) showed no statistically significant difference in service.

Of the 73 semi-annual tests performed for AIRS, there were 9 instances (12%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers. The remaining 64 tests (88%) showed no statistically significant difference in service.



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Of the 2 semi-annual tests performed for ADDLF, there were 0 instances (0%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers. The remaining 2 tests (100%) showed no statistically significant difference in service.

Of the 32 semi-annual tests performed for PCM, there were 0 instances (0%) that indicated that Genuity had statistically significantly more commitments met than other unaffiliated carriers. The remaining 32 tests (100%) showed no statistically significant difference in service.

Of the 104 semi-annual tests performed for TRR, there were 15 instances (14%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers. The remaining 89 tests (86%) showed no statistically significant difference in service.

Of the 30 semi-annual tests performed for TRR for Verizon East states, there were 10 instances (33%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers. The remaining 20 tests (67%) showed no statistically significant difference in service.

Of the 74 semi-annual tests performed for TRR for Verizon West states, there were 5 instances (7%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers. The remaining 69 tests (93%) showed no statistically significant difference in service.

**2. Two-Tailed Test Results**

Of the 32 semi-annual tests performed for IAI, there were 5 instances (16%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers and 1 instance (3%) that indicated that Genuity received statistically significant slower service. The remaining 26 tests (81%) showed no statistically significant difference in service.

Of the 73 semi-annual tests performed for AIRS, there were 7 instances (10%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers and 1 instance (1%) that indicated that Genuity received statistically significant slower service. The remaining 65 tests (89%) showed no statistically significant difference in service.

Of the 2 semi-annual test performed for ADDLF, there were 0 instances (0%) that indicated that Genuity received statistically significant faster service than other unaffiliated carriers and 1 instance (50%) that indicated that Genuity received statistically significant slower service. The remaining 1 test (50%) showed no statistically significant difference in service.

Of the 32 semi-annual tests performed for PCM, there were 0 instances (0%) that indicated that Genuity had statistically significantly more commitments met than other unaffiliated carriers and 0 instances (0%) that indicated that Genuity received statistically significantly fewer commitments met. The remaining 32 tests (100%) showed no statistically significant difference in service.

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Of the 104 semi-annual tests performed for TRR, there were 11 instances (11%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers and 18 instances (17%) that indicated that Genuity received statistically significantly more troubles per line. The remaining 75 tests (72%) showed no statistically significant difference in service.

Of the 30 semi-annual tests performed for TRR for Verizon East states, there were 9 instances (30%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers and 0 instances (0%) that indicated that Genuity received statistically significantly more troubles per line. The remaining 21 tests (70%) showed no statistically significant difference in service.

Of the 74 semi-annual tests performed for TRR for Verizon West states, there were 2 instances (3%) that indicated that Genuity had statistically significantly fewer troubles per line than other unaffiliated carriers and 18 instances (24%) that indicated that Genuity received statistically significantly more troubles per line. The remaining 54 tests (73%) showed no statistically significant difference in service.

**Known Genuity Agreements**

➤ **Agreements effective prior to the Merger Order Date (June 16, 2000), not provided to the FCC:**

- \*+Marketing Agreement – (Genuity Solutions Inc. / Bell Atlantic Network Services Inc.)
- \*+Deed of Lease - 15000 Conference Center Dr., Chantilly, VA – (GTE Realty Corporation [Verizon] / GTE Internetworking Incorporated [Genuity])
- \*+First Lease Amendment – GTE Realty Corporation [Verizon] / GTE Internetworking Incorporated [Genuity])
- \*Affiliate Agreement – (GTE Data Services Incorporated [Verizon] / GTE Intelligent Network Services Incorporated [Genuity])
- \*Addendum 1 – (GTE Data Services Incorporated [Verizon] / GTE Internetworking Incorporated [Genuity])
- \*Statement of Work No. 2000-01 – (GTE Data Services Incorporated [Verizon] / GTE Internetworking Incorporated [Genuity])
- \*+Statement of Work No. 2000-02, Data Center Infrastructure Support – (GTE Data Services Incorporated [Verizon] / Genuity Solutions Inc.)
- \*Capacity Agreement – (GTE California Incorporated / GTE Internetworking Incorporated [Genuity])
- \*ICB #WA9801435 - Service Attachment for High Speed Capacity Digital Service – (GTE Northwest Incorporated / GTE Global Networks Inc. [Genuity])
- \*Capacity Right of Use – (Flag Atlantic Limited and Flag Atlantic USA Limited [Verizon]/ GTE Global Networks Incorporated [Genuity])
- \*Agreement of Lease (Tampa City Center Associates [Verizon]/ GTE Telecom Incorporated [Genuity])
- \*Amendment 1 to Agreement of Lease (Tampa City Center Associates [Verizon]/ GTE Telecom Incorporated [Genuity])
- \*Amendment 2 to Agreement of Lease (Tampa City Center Associates [Verizon]/ GTE Telecom Incorporated [Genuity])
- \*Lease Agreement – 3632 N. Roxboro Rd – (Verizon South Incorporated / Genuity Solutions Inc)
- \*Telecommunications Services Agreement with Competitive Pricing Arrangement or Customized Service Package – (NYNEX / Genuity Solutions Inc.)
- \*Special Contract for Telecommunications Service – (Bell Atlantic – New England / GTE Internetworking, Inc.)
- \*Request for Service – NYNEX Enterprise SONET Private Line Network Service – (NYNEX / GTE Internetworking/BBN)
- \*+Non-Exclusive License Agreement – (GTE Telecom Incorporated [Genuity] / GTE Midwest Incorporated)
- \*+Non-Exclusive License Agreement – (GTE Telecom Incorporated [Genuity] / GTE North Incorporated and GTE South Incorporated)
- \*+Non-Exclusive License Agreement – (GTE Telecom Incorporated [Genuity] / GTE Arkansas Incorporated)
- \*+ISP Advantage Program – Partners Plus+ Purchase Agreement – (Bell Atlantic Network Services Inc. / GTE Internetworking [Genuity])
- Collocation License Agreement with Asset Transfer – (GTE Telecom Incorporated [Genuity]/ GTE Communications Corporation [Verizon])

**Known Genuity Agreements**

➤ **Agreements effective prior to the Merger Order Date (June 16, 2000), not provided to the FCC (*Continued*):**

- Collocation Number 1 - Miami, FL – (GTE Telecom Incorporated [Genuity] / GTE Communications Corporation [Verizon])
- +Collocation Number 2 – New York, NY – (GTE Telecom Incorporated [Genuity] / GTE Communications Corporation [Verizon])
- Collocation Number 3 – Indianapolis, IN – (GTE Telecom Incorporated [Genuity] / GTE Communications Corporation [Verizon])
- Collocation License Agreement with Asset Transfer – (GTE Telecom Incorporated [Genuity] / GTE Communications Corporation [Verizon])
- Collocation Number 1 – Los Angeles, CA – (GTE Communications Corporation [Verizon] / GTE Telecom Incorporated [Genuity])
- Lease - 201 N. Franklin St. – (Verizon Realty Corp. / GTE Internetworking Incorporated)
- Master Agreement for Internet Services & Service Schedule for GTE Wholesale Email – (GTE.Net LLC / BBN Corporation d/b/a Genuity Solutions)
- Global Service Provider Agreement – (GTE Internetworking Incorporated / Bell Atlantic Global Networks Inc.)
- Billing Services Agreement for Global Service Provider – (Bell Atlantic Internet Solutions Inc / GTE Internetworking Incorporated)
- Capacity Agreement Associated with Asset Transfer (CA No. ST01) – (GTE Communications Corporation / Genuity Networks Inc.)
- Capacity Agreement Associated with Asset Transfer (CA No. ST02) – (GTE Communications Corporation / Genuity Networks Inc.)
- Capacity Agreement Associated with Asset Transfer (CA No. ST03) – (GTE Communications Corporation / Genuity Networks Inc.)
- First Amendment to Capacity Agreement – (GTE California Incorporated / Genuity Solutions Inc.)
- \*Agreement for Telecommunications Services – (Bell Atlantic Network Services, Inc./BBN Planet, a division of BBN Corporation)
- \*Multi-Regional Elite Cellular Agreement – (Cellco Partnership by Bell Atlantic Mobile, Inc./GTE Internetworking)
- \*Vehicle Acquisition Services – Vehicle Management and Lease Administration Agreement – (GTE Service Corporation/GTE Leasing Corporation & PHH Fleetamerica Corporation)
- \*Amendment No. 1 to Vehicle Acquisition Services – Vehicle Management and Lease Administration Agreement – (GTE Service Corporation/GTE Leasing Corporation & PHH Fleetamerica Corporation)
- \*Amendment No. 2 to Vehicle Acquisition Services – Vehicle Management and Lease Administration Agreement – (GTE Service Corporation/GTE Leasing Corporation & PHH Fleetamerica Corporation)
- \*Amendment No. 3 to Vehicle Acquisition Services – Vehicle Management and Lease Administration Agreement – (GTE Service Corporation/GTE Leasing Corporation & PHH Fleetamerica Corporation)
- \*Amendment No. 4 to Vehicle Acquisition Services – Vehicle Management and Lease Administration Agreement – (GTE Service Corporation/GTE Leasing Corporation & PHH Fleetamerica Corporation)

**Known Genuity Agreements**

- **Agreements effective prior to the Merger Order Date (June 16, 2000), not provided to the FCC (*Continued*):**
- \* Vehicle Leasing Services – Operating Lease Agreement – (GTE Service Corporation/GTE Leasing Corporation & PHH Fleetamerica Corporation)
  - \* Amendment No. 1 to Vehicle Leasing Services – Operating Lease Agreement – (GTE Service Corporation/GTE Leasing Corporation & PHH Fleetamerica Corporation)
  - \* Amendment No. 2 to Vehicle Leasing Services – Operating Lease Agreement – (GTE Service Corporation/GTE Leasing Corporation & PHH Fleetamerica Corporation)
  - \* Amendment No. 3 to Vehicle Leasing Services – Operating Lease Agreement – (GTE Service Corporation/GTE Leasing Corporation & PHH Fleetamerica Corporation)
  - \* Amendment No. 4 to Vehicle Leasing Services – Operating Lease Agreement – (GTE Service Corporation/GTE Leasing Corporation & PHH Fleetamerica Corporation)
  - \*Master Services Agreement No. 1 – (GTE Communications Corporation/GTE Internetworking Incorporation)
  - \*Collocation Agreement – (GTE Wireless of the Pacific Incorporated /GTE Internetworking Incorporated)

**Known Genuity Agreements**

➤ **Agreements effective after the Merger Order Date (June 16, 2000), not provided to the FCC:**

- \*+Amendment No. 1 to Marketing Agreement – (Genuity Solutions Inc. / Verizon Services Corp. and Verizon Advanced Data Inc.)
- \*+Amendment No. 2 to Marketing Agreement – (Genuity Solutions Inc. / Verizon Services Corp. and Verizon Advanced Data Inc.)
- \*Brand, Technology and Co-Marketing Agreement – (Genuity Solutions Inc. & Genuity Inc. / TELUS Corporation)
- \*Amendment to Brand, Technology and Co-Marketing Agreement – (Genuity Solutions Inc. & Genuity Inc. / TELUS Corporation)
- \*+Genuity GNI Performance Management Phase IV Statement of Work – (Verizon Laboratories / Genuity)
- \*Agreement for Internetworking Services & Service Schedules – (Genuity Solutions Inc. / Puerto Rico Telephone Company Inc.)
- \*+Equipment Purchase and Installation Services Agreement – (Genuity Solutions Inc. / Puerto Rico Telephone Company Inc.)
- \*Capacity Agreement – (Genuity Telecom Inc. / Compañía Dominicana de Telefonos d/b/a Codetel Long Distance and International)
- \*Master Agreement for SS7 Network Services – (GTE TSI / Genuity Solutions Inc.)
- \*+ICB #FL0002450 - Special Billing for Remapping of Permanent Virtual Circuits – (GTE Florida Incorporated / Genuity Solutions Inc.)
- \*+ICB #VA0001273 - Special Billing for PVC's – (GTE South Incorporated / Genuity Solutions Inc.)
- \*+ICB #TX0001695 - Special Billing for PVC's – (GTE Southwest Incorporated / Genuity Solutions Inc.)
- \*+ICB #HI0001484 - Special Billing for PVC's – (GTE Hawaiian Telephone Company Incorporated / Genuity Solutions Inc.)
- \*+ICB #MI0001129 - Special Billing for PVC's – (GTE North Incorporated / Genuity Solutions Inc.)
- \*+ICB #PA0001438 - Special Billing for PVC's – (GTE North Incorporated / Genuity Solutions Inc.)
- \*+ICB #KY0001089 - Special Billing for PVC's – (GTE South Incorporated / Genuity Solutions Inc.)
- \*+ICB #IN0001266 - Special Billing for PVC's – (GTE North Incorporated / Genuity Solutions Inc.)
- \*+ICB #NC0001214 - Special Billing for PVC's – (GTE South Incorporated / Genuity Solutions Inc.)
- \*+ICB #CA0004286 - Special Billing for PVC's – (GTE California Incorporated / Genuity Solutions Inc.)
- \*+ICB #WA0001598 - Special Billing for PVC's – (GTE Northwest Incorporated / Genuity Solutions Inc.)
- \*+Memorandum of Agreement, including seven amendments – (Verizon Services Corp., Verizon Services Group / Genuity Solutions Inc.)
- \*Agreement regarding TELUS Corporation – (Genuity Solutions Inc. / GTE Corporation)
- Subscription and Recapitalization Agreement – (GTE Corporation / Genuity Inc.)
- +ICB #WA0001641 - Special Billing for PVC's – GTE Network / Genuity Solutions Inc.)

**Known Genuity Agreements**

➤ **Agreements effective after the Merger Order Date (June 16, 2000), not provided to the FCC  
(Continued):**

- ICB #TX0101877 - Special Billing for PVC's – GTE Network / Genuity Solutions Inc.)
- +ICB# OR0001326 (Re-mapping of PVC) – (GTE Northwest Incorporated / Genuity Solutions Inc.)
- Amendment No. 1 to Global Service Provider – (Genuity Solutions Inc / GTE Internetworking Incorporated)
- Amendment to Billing Services Agreement – (Verizon Internet Services Inc / Genuity Solutions Inc)
- Quotation for DIALinx Services – (Genuity Solutions Inc / Verizon Internet Solutions)
- Amendment 1 for DIALinx Services – (Genuity Solutions Inc / Verizon Internet Solutions)
- Amendment 1 to the Master Agreement for Wholesale ISP DSL Services – (Genuity Solutions Inc. / Verizon Internet Solutions)
- Amendment 2 to the Master Agreement for Wholesale ISP DSL Services – (Genuity Solutions Inc. / Verizon Internet Solutions)
- Amendment 3 to the Master Agreement for Wholesale ISP DSL Services – (Genuity Solutions Inc. / Verizon Internet Solutions)
- Amendment 4 to the Master Agreement for Wholesale ISP DSL Services – (Genuity Solutions Inc. / Verizon Internet Solutions)
- Amendment 5 to the Master Agreement for Wholesale ISP DSL Services – (Genuity Solutions Inc. / Verizon Internet Solutions)
- Amendment 6 to the Master Agreement for Wholesale ISP DSL Services – (Genuity Solutions Inc. / Verizon Internet Solutions)
- Amendment 1 to the Master Agreement for Wholesale Dial Access Services – (Genuity Solutions Inc. / Verizon Internet Services Inc. and Verizon Internet Solutions)
- Amendment 2 to the Master Agreement for Wholesale Dial Access Services – (Genuity Solutions Inc. / Verizon Internet Services Inc. and Verizon Internet Solutions)
- Amendment 3 to the Master Agreement for Wholesale Dial Access Services – (Genuity Solutions Inc. / Verizon Internet Services Inc. and Verizon Internet Solutions)
- Marketing Agreement – (Genuity Solutions Inc. / Verizon Advanced Data Inc)
- Amendment 1 to Marketing Agreement – (Genuity Solutions Inc. / Verizon Advanced Data Services)
- +Amendment Number 1 – Billing and Collection SOW – (GTE Consolidated Services Incorporated / Genuity Solutions Inc.)
- InfoSpeed DSL Solutions – (Verizon Advanced Data Inc. and Verizon Advanced Data Virginia Inc. / Genuity Solutions Inc.)
- +SmallWorld Change Request – (GTE Service Corporation / Genuity Solutions Inc)
- +Technical Efforts to Provide Support and Maintenance Services (SOW) – (Verizon Technology Corp. / Genuity Solutions Inc.)
- Amendment 1 to Lease Agreement, 50 Moulton St, Cambridge, MA – (BBNT Solutions LLC / BBN Corporation)
- Lease - 5030 Broadway – (Verizon New York Inc / Genuity Solutions Inc.)
- Amendment 1 to Lease Agreement, 77 Fawcett St, Cambridge, MA – (BBNT Solutions LLC / BBN Corporation)
- Sublease, 2510 West Dunlap, Phoenix, AZ – (Verizon Data Services Inc. / Genuity Solutions Inc.)

**Known Genuity Agreements**

➤ **Agreements effective after the Merger Order Date (June 16, 2000), not provided to the FCC  
(Continued):**

- Network Collocation License Agreement – (Genuity Solutions Inc. / Verizon Global Networks Inc.)
- Collocation Schedule Number 1, New York, NY – (Genuity Solutions Inc. / Verizon Global Networks Inc.)
- Network Collocation License Agreement – (Verizon Global Networks Inc. / Genuity Solutions Inc.)
- Collocation Schedule Number 1, Cambridge, MA – (Verizon Global Networks Inc. / Genuity Solutions Inc.)
- +Lease, 2701 S. Johnson St, San Angelo, TX – (Verizon Southwest / Genuity Solutions Inc.)
- Financial Support Agreement, CEP Second St – (GTE Corporation / Genuity Inc.)
- Financial Support Agreement, Westlake North Associates – (GTE Corporation / Genuity Inc.)
- Financial Support Agreement, HMS Office – (GTE Corporation / Genuity Inc.)
- Financial Support Agreement, 100 Wall Street, LLC – (GTE Corporation / Genuity Inc.)
- Credit Agreement – (Verizon Investments Inc. / Genuity Inc.)
- Amendment 1 to Credit Agreement – (Verizon Investments Inc. / Genuity Inc.)
- Amendment 2 to Credit Agreement – (Verizon Investments Inc. / Genuity Inc.)
- Amendment 3 to Credit Agreement – (Verizon Investments Inc. / Genuity Inc.)
- Amendment 3 to CSA – (GTE Telecom Incorporated / GTE Arkansas Incorporated, GTE Midwest Incorporated and GTE North Incorporated)
- Amendment 4 to CSA – (GTE Telecom Incorporated / GTE Arkansas Incorporated, GTE Midwest Incorporated and GTE North Incorporated)
- Amendment 5 to CSA – (GTE Telecom Incorporated / GTE Arkansas Incorporated, GTE Midwest Incorporated and GTE North Incorporated)
- Amendment 6 to CSA – (GTE Telecom Incorporated / GTE Arkansas Incorporated, GTE Midwest Incorporated and GTE North Incorporated)
- Amendment 7 to CSA – (GTE Telecom Incorporated / GTE Arkansas Incorporated, GTE Midwest Incorporated and GTE North Incorporated)
- Amendment 8 to CSA – (GTE Telecom Incorporated / GTE Arkansas Incorporated, GTE Midwest Incorporated and GTE North Incorporated)
- Amendment 9 to CSA – (GTE Telecom Incorporated / GTE Arkansas Incorporated, GTE Midwest Incorporated and GTE North Incorporated)
- Amendment 10 to CSA – (GTE Telecom Incorporated / GTE Arkansas Incorporated, GTE Midwest Incorporated and GTE North Incorporated)
- Amendment 11 to CSA – (GTE Telecom Incorporated / GTE Arkansas Incorporated, GTE Midwest Incorporated and GTE North Incorporated)
- Amendment 12 to CSA – (GTE Telecom Incorporated / GTE Arkansas Incorporated, GTE Midwest Incorporated and GTE North Incorporated)
- Amendment 1 to Capacity Agreement – (GTE Northwest Incorporated / GTE Global Networks Incorporated)
- First Addendum to Capacity Agreement – (GTE California Incorporated / GTE Global Networks Incorporated)
- Second Amendment to Capacity Agreement – (GTE California Incorporated / Genuity Solutions Inc.)



**Known Genuity Agreements**

➤ **Agreements effective after the Merger Order Date (June 16, 2000), not provided to the FCC  
(Continued):**

- ICB #WA0001606 – (Verizon Northwest Inc. / Genuity Networks Inc.)
- Capacity Agreement – (Verizon Northwest Inc. / Genuity Solutions Inc)
- Service Quotation and Order Form – (Genuity Solutions Inc. / Verizon Media Ventures)
- +Special Construction Charge Case #2000-145877 (rev. #2001-171326) – (Verizon Northwest / Genuity Networks Inc.)
- Statement of Work No.2, including 5 amending work orders – (Verizon Information Technologies Inc. / Genuity Solutions Inc.)
- Letter Agreement for Collocation License & Services – (Genuity Netherlands B.V. / Verizon Global Solutions Netherland B.V.)
- Agreement Addendum – (Genuity Netherlands B.V. / Verizon Global Solutions Netherlands B.V.)
- Addendum #2 to the Agreement for Internetworking Services – (Genuity Solutions Inc. / Puerto Rico Telephone Company Inc.)
- Addendum #3 to the Agreement for Internetworking Services – (Genuity Solutions Inc. / Puerto Rico Telephone Company Inc.)
- Service Agreement – (Verizon Information Technologies Inc. / Genuity Networks Inc.)
- +Sales Referral Plan under PRM Agreement – (Telesector Resources Group / Genuity Solutions Inc.)
- Reseller Agreement for Enterprise DSL Services – Genuity Solutions Inc. / Verizon Network Integration Corp.)
- +Agreement for Digital Leased Line Service effective October 6, 2000 – (Verizon Hawaii International Inc. / Genuity Solutions Inc.)
- Agreement for Digital Leased Line Service effective August 8, 2001 – (Verizon Hawaii International Inc. / Genuity Solutions Inc.)
- Memorandum of Understanding – Assignment of Small Business DSL Customers – (Genuity Solutions Inc. / Verizon Internet Solutions)
- +ICB #WA0101711 – (Verizon Northwest Inc. / Genuity Solutions Inc.)
- Non-Disclosure Agreement – (Verizon Global Networks / Genuity Solutions Inc)
- +ICB #CA0004335 – (Verizon California Inc. / Genuity Solutions Inc.)
- Black Rocket Voice Service Evaluation Agreement – (Genuity Solutions Inc. / Verizon Services Corp. and its affiliates)
- Letter Agreement (GSI) for Provisions not specified in PRM Agreement – (Genuity Solutions Inc. / Verizon Global Solutions Inc.)
- Authorization to Proceed Letter – Two Circuits Between Puerto Rico and Florida – (Genuity Solutions Inc. / Verizon Global Solutions Inc.)
- Letter Agreement Regarding Resale of Genuity Services – (Genuity Solutions Inc. and Genuity Telecom Inc. / Verizon Global Solutions Inc.)
- +Amendment 1 to Computing Infrastructure Services – (GTE Service Corporation and its Affiliates / Genuity Solutions Inc.)
- +Special Construction Charge Case #2000-158687 – (Verizon / Genuity Solutions Inc.)
- +Sales Agreement – (GTE Communication Systems Corporation / Genuity Solutions Inc)
- Letter Agreement – VoIP Referrals under the Purchase, Resale and Marketing Agreement – (Genuity Solutions Inc./Telesector Resources Group Inc.)

**Known Genuity Agreements**

➤ **Agreements effective after the Merger Order Date (June 16, 2000), not provided to the FCC  
(Continued):**

- ISDN/PRI Services Agreement – (Verizon Operating Telephone Companies/Genuity Solutions Inc.)
- Adoption Agreement – (Genuity Solutions Inc./Verizon Global Solutions Inc.)
- Amendment 1 to ISDN PRI Services Agreement – (Verizon Operating Telephone Companies/Genuity Solutions Inc.)
- Collocation Schedule No. 1, Miami, FL – (Genuity Solutions Inc./Verizon Global Solutions Inc.)
- Collocation Schedule No. 2, Dallas, Texas – (Genuity Solutions Inc./Verizon Global Solutions Inc.)
- Standstill Agreement – (Verizon Investments Inc. and Verizon Communications Inc./Genuity Inc.)
- Second Standstill Agreement – (Verizon Investments Inc. and Verizon Communications Inc./Genuity Inc.)
- Third Standstill Agreement – (Verizon Investments Inc. and Verizon Communications Inc./Genuity Inc.)
- Fourth Standstill Agreement – (Verizon Investments Inc. and Verizon Communications Inc./Genuity Inc.)
- Fifth Standstill Agreement – (Verizon Investments Inc. and Verizon Communications Inc./Genuity Inc.)
- Sixth Standstill Agreement – (Verizon Investments Inc. and Verizon Communications Inc./Genuity Inc.)
- Term of Borrowing Amendment – (Verizon Investments Inc./Genuity Inc.)
- Second Term of Borrowing Amendment – (Verizon Investments Inc./Genuity Inc.)
- Third Term of Borrowing Amendment – (Verizon Investments Inc./Genuity Inc.)
- Fourth Term of Borrowing Amendment – (Verizon Investments Inc./Genuity Inc.)
- Fifth Term of Borrowing Amendment – (Verizon Investments Inc./Genuity Inc.)
- \*Amendment to Multi-Regional Elite Cellular Agreement – (Cellco Partnership by Bell Atlantic Mobile, Inc./GTE Internetworking)
- Letter of Intent Re: Strategic Relationship – (Verizon Global Solutions Inc./Genuity Solutions Inc.)
- General Agreement – (GTE Communication Systems Corporation/Genuity Solutions Inc.)
- Non-Disclosure Agreement (Genuity Conversion) – (Verizon Communications Inc./Genuity Inc.)
- Electronic Repair and Calibration Services Subordinate Agreement – (GTE Communication Systems Corporation/Genuity Solutions Inc.)
- Agreement and Consent to Assignment – (Verizon Internet Services Inc. and GTE Net LLC/Genuity Solutions Inc.)
- General Agreement – (Verizon Teleproducts Corp./Genuity Solutions Inc.)
- Surplus Products Sales Subordinate Agreement – (GTE Communication Systems Corporation/Genuity Solutions Inc.)
- Amendment No. 1 to Surplus Products Sales Subordinate Agreement – (GTE Communication Systems Corporation/Genuity Solutions Inc.)
- Amendment No. 2 to Surplus Products Sales Subordinate Agreement – (GTE Communication Systems Corporation/Genuity Solutions Inc.)

**Known Genuity Agreements**

➤ **Agreements effective after the Merger Order Date (June 16, 2000), not provided to the FCC (Continued):**

- Amendment No. 3 to Surplus Products Sales Subordinate Agreement – (GTE Communication Systems Corporation/Genuity Solutions Inc.)
- Global Service Provider Agreement for Dedicated Internet Access Services – (Verizon Network Integration Corp./Genuity Solutions Inc.)
- Carrier Service Agreement – (Verizon Global Solutions Inc./Genuity Solution Inc.)
- Genuity Services Agreement – (Verizon Global Solutions Inc./Genuity Solution Inc.)
- Capacity Agreement – (Verizon Global Solutions Inc./Genuity Solution Inc.)
- International Private Line Capacity Agreement – (Verizon Global Solutions Inc., Verizon Global Solutions U.K. Ltd. and Verizon Global Solutions Holdings II Ltd./Genuity Telecom Inc. and Genuity UK Limited)
- Master Agreement – (CANTV.NET/Genuity Solution Inc.)
- International Addendum to Master Agreement – (CANTV.NET/Genuity Solution Inc.)
- Carrier Service Agreement – (Verizon Global Solutions Inc./Genuity Solution Inc.)
- \* Capacity Agreement – (GTE Pacifica Incorporation/GTE Telecom Incorporation)
- \*Letter of Agreement of December 13, 2001 – (Verizon Communications Inc./Genuity Inc.)
- \*Agreement for Professional Services – (Federal Network Systems LLC/Genuity Solutions Inc.)
- \*Task Order E033-001 IP Router & ATM Networks; Hardware Maintenance Support; Defense Support Services, Global – (Federal Network Systems LLC/Genuity Solutions Inc.)
- \*Task Order E033-003 IP Router & ATM Networks; Hardware Maintenance Support; Defense Support Services, Global – (Federal Network Systems LLC/Genuity Solutions Inc.)
- \*Task Order E033-004 IP Router & ATM Networks; Hardware Maintenance Support; Defense Support Services, Global – (Federal Network Systems LLC/Genuity Solutions Inc.)
- \*Global Service Provider Agreement – (Verizon Avenue Corporation/Genuity Solutions Inc.)
- \*Billing Services Agreement (for Global Service Provider Agreement) – (Verizon Avenue Corporation/Genuity Solutions Inc.)
- \*Global Service Provider Agreement – (Verizon Network Integration Corp./Genuity Solutions Inc.)
- \*Application for Service – (GTE Communications Corporation/GTE Internetworking Incorporation)
- \*Letter Agreement (Re: Leased Lines) – (Verizon/Genuity Solutions Inc.)
- Letter Agreement (Re: Leased Lines) – (BBNT Solutions LLC/Genuity Solutions Inc.)
- Amendment No.1 to the Purchase Resale and Marketing Agreement – (Genuity Solutions Inc. / Telesector Resources Group Inc.)
- Amendment 7 to the Master Agreement for Wholesale ISP DSL Services – (Genuity Solutions Inc. / Verizon Internet Solutions)
- Amendment 8 to the Master Agreement for Wholesale ISP DSL Services – (Genuity Solutions Inc. / Verizon Internet Solutions)
- Amendment 9 to the Master Agreement for Wholesale ISP DSL Services – (Genuity Solutions Inc. / Verizon Internet Solutions)
- Amendment 4 to the Master Agreement for Wholesale Dial Access Services – (Genuity Solutions Inc. / Verizon Internet Services Inc. and Verizon Internet Solutions)
- Amendment to Lease Agreement, 40 Sylvan Rd., Waltham, MA – (GTE Laboratories Incorporated / Genuity Solutions Inc.)

**Known Genuity Agreements**

➤ **Agreements effective after the Merger Order Date (June 16, 2000), not provided to the FCC (Continued):**

- First Amendment to Sublease, 10 Moulton St., Cambridge, MA – (BBNT Solutions LLC / Genuity Solutions Inc.)
- First Amendment to Sublease, 70 Fawcett St., Cambridge, MA – (Genuity Solutions Inc. / BBNT Solutions Inc.)
- \*Amendment Number 1 to Collocation Schedule Number 1 – Los Angeles, CA – (Verizon Select Services Inc. / Genuity Telecom Inc.)
- Amendment Number 2 to Collocation Schedule Number 1 – Los Angeles, CA – (Verizon Select Services Inc. / Genuity Telecom Inc.)
- Collocation Schedule Number 2 – Baltimore, MD – (Genuity Solutions Inc. / Verizon Global Networks Inc.)
- Collocation Schedule Number 2 – Pittsburgh, PA – (Verizon Global Networks Inc. / Genuity Solutions Inc.)
- Amendment 1 to CSA – (Genuity Telecom Inc. / Verizon North Inc.)
- Amendment 2 to CSA – (Genuity Telecom Inc. / Verizon North Inc.)
- Amendment 3 to CSA – (Genuity Telecom Inc. / Verizon North Inc.)
- Amendment 4 to CSA – (Genuity Telecom Inc. / Verizon North Inc.)
- Settlement Agreement – (Verizon Information Technologies Inc. / Genuity Solutions Inc.)
- \*Capacity Description and Attachment A - (Genuity Telecom Inc. / Compañía Dominicana de Telefonos d/b/a Codetel International Communications Incorporated)
- Amendment to Agreement for Lease, 24<sup>th</sup> Floor of Tampa City Center – (Tampa City Center Associates [Verizon] / Genuity Telecom Inc.)
- Capacity Order – (Genuity Telecom Inc. / Verizon Global Solutions Inc.)
- Memorandum of Understanding (Verizon Services Corp. et al on behalf of the Verizon Operating Telephone Companies / Genuity Solutions Inc.)
- Amendment One to the Black Rocket Voice Evaluation Agreement – (Genuity Solutions Inc. / Verizon Services Corp. on behalf of affiliates)
- Letter Agreement RE: Puerto Rico Cable Station Cross-Connect Charges – (Genuity Solutions Inc. / Verizon Global Solutions Inc.)
- Letter of Intent (for CyberPOP) – (Verizon Operating Telephone Companies / Genuity Solutions Inc.)
- Agreement for CyberPOP – (Verizon Operating Telephone Companies / Genuity Solutions Inc.)
- Letter Agreement – Operating Tool License Agreement – (Genuity Solutions Inc. / Verizon Services Corp.)
- Sales Referral Plan Under Purchase Resale and Marketing Agreement – (Telesector Resources Group, Inc. / Genuity Solutions Inc. and its affiliates)

\* *These agreements were not provided as part of the 2000 or 2001 examinations, as applicable, but were subject to the 2001 and/or 2002 examination, as applicable.*

+ *These agreements were terminated during the year 2001; and therefore, were not subject to the 2002 examination.*

## Endnotes

<sup>1</sup> Paragraph 72 (the “Service Quality Genuity Conditions”) of the Genuity Conditions provides the requirements for the Service Quality Genuity Conditions, as follows: (a) Verizon shall report, on a disaggregated, company-specific basis, certain of the service quality data described in Table I of the ARMIS Report NO.43-05 to show the service levels Verizon (and its separate advanced services affiliate) provides to Genuity, Inc. (“Genuity”) as compared to other companies purchasing its high-speed and regular special access services. Specifically, Verizon shall report, and made available to the independent auditor and FCC, performance data for the following measurements for these services on a monthly basis: the percent of commitments met; the average interval (in days); the average delay days due to lack of facilities; the average interval to repair service (in hours); and, the trouble report rate (the “Service Quality Reports”), (b) any attempt of Verizon to discriminate by favoring Genuity in the provision of high-speed access and regular special access services will be readily detectable in the Service Quality Reports by the independent auditor and the FCC.

<sup>2</sup> Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License, CC Docket No. 98-184, Memorandum Opinion and Order, 15 FCC Rcd 14032, 14143 (2000).

<sup>3</sup> On July 24, 2002, Verizon converted all but one of its Genuity Class B shares into Class A capital stock and thus relinquished their right to convert its equity into a controlling interest in Genuity. On November 27, 2002, Verizon filed the Motion to Remove Conditions Relating to Verizon’s Relationship With Genuity, Inc. CC. Docket No. 98-184 (“Verizon Motion”). According to the Verizon Motion, the predicate for the Genuity Conditions no longer exists as of July 24, 2002. Moreover, on December 23, 2002, Verizon informed the FCC that it had taken additional steps of selling all of its Class A shares of Genuity. On March 26, 2003, the FCC released the Application for Consent of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License from GTE Corporation, Transferor to Bell Atlantic Corporation, Transferee, CC Docket No. 98-184, (the “Removal Order”). The Removal Order provides that the Genuity Conditions are removed as of December 18, 2002. Accordingly, the evaluation period for the Genuity Conditions is from January 1, 2002 through December 17, 2002.

<sup>4</sup> FCC’s Order in File No. EB-01-IH-0519 adopting a consent decree related to the Genuity Conditions audit for the 2000 audit period released on August 20, 2002. The purpose of the consent decree is to terminate an informal investigation of the FCC into Verizon’s compliance with the Merger Order. Verizon agreed to implement the Compliance Plan, attached and incorporated by reference to the consent decree, to help ensure Verizon’s future compliance with the Merger Order, including the Genuity Conditions.

<sup>5</sup> The Remedial Measures, by their terms, expired (except for applicable provisions regarding data retention, as noted in the Compliance Plan of Verizon Communications Inc., included in the Consent Decree) when the underlying Genuity Conditions were removed. See Verizon Communications Inc., File No. EB-01-IH-0519, slip op. at 8 (FCC, Chief, Enforcement Bureau, rel. August 20, 2002).

<sup>6</sup> Letter from the Deputy Chief, Investigations and Hearings Division, Enforcement Bureau of the FCC staff dated May 29, 2002 to the Senior Vice President, Regulatory Compliance of Verizon (the “FCC May 29<sup>th</sup> Letter”).

<sup>7</sup> Letter from the Deputy Chief, Investigations and Hearings Division, Enforcement Bureau of the FCC staff, dated June 12, 2002, to the Senior Vice President, Regulatory Compliance of Verizon (the “FCC June 12<sup>th</sup> Letter”).

<sup>8</sup> According to the Removal Order, Verizon’s requirement to provide to the FCC and M&T the Service Quality Reports expired on July 24, 2002. In addition, the Removal Order states that the Genuity Conditions are removed as of December 18, 2002. Verizon, in its letter to the FCC dated April 21, 2003, contends that July 24, 2002 is the expiration date for the Service Quality Condition. The FCC issued a letter to M&T dated May 8, 2003, which clarified that only Verizon’s obligation to submit Service Quality Reports ended on July 24, 2002; however, the evaluation period for the Service Quality Condition should include each month from January 2002 to December 2002.

## **Endnotes**

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<sup>9</sup> *This performance measure was not evaluated since counts of trouble reports without a volume comparison can be misleading.*

<sup>10</sup> *For mean measures (IAI, AIRS, and ADDLF) an exact test based on the pooled t statistic, using all possible comparisons, was used when the number of possible comparisons was less than 1000. When the number of possible comparisons was greater than 1000, 1000 comparisons are randomly selected from the larger pool to use in the test. For the proportion measure (PCM) a Fisher's Exact test was used. For the rate measure (TRR) an exact permutation test, based on a binomial distribution, was used.*

**Report of Management on Compliance with the Genuity Conditions Set Forth in  
FCC Order Approving the Bell Atlantic/GTE Merger and on Compliance with  
Compliance Plan Remedial Measures Set Forth in FCC Order Adopting Consent  
Decree Related to the Genuity Conditions Audit**

Management of Verizon Communications Inc. (“Verizon”) is responsible for complying with the conditions set forth in Appendix B (“Genuity Conditions”) of the Federal Communications Commission’s (“FCC’s”) Memorandum Opinion and Order in CC Docket No. 98-184 approving the Bell Atlantic/GTE Merger released June 16, 2000 and for complying with compliance plan remedial measures set forth in the FCC’s Order in File No. EB-01-IH-0519 adopting a consent decree related to the Genuity Conditions audit for the 2000 audit period released on August 20, 2002 (“Remedial Measures”).

Management has performed an evaluation of Verizon’s compliance with the requirements of the Genuity Conditions for the period of January 1, 2002 through December 17, 2002<sup>1</sup> and the Remedial Measures.<sup>2</sup> Based on this evaluation, we assert, to the best of our knowledge and belief, that Verizon complied with the requirements in all material respects as described further below.

**1. Service Quality<sup>3</sup>**

Verizon complied with the requirements of this condition by providing service quality reports to the FCC and the independent auditor to assist in their assessment of whether Verizon discriminated in favor of Genuity in the provision of high-speed special access and regular special access services.<sup>4</sup>

**2. Conversion Rights**

Verizon complied with the requirements of this condition by not increasing its equity interest in Genuity above 10%.

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<sup>1</sup> The Federal Communications Commission granted Verizon’s request to remove Genuity Conditions, including the audit condition, effective December 18, 2002. *Application for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License from GTE Corp. to Bell Atlantic Corp.*, CC Docket 98-184, at 7 (FCC rel. March 26, 2003) (“*Removal Order*”).

<sup>2</sup> The Remedial Measures, by their terms, expired when the underlying Genuity Conditions were removed. *See Verizon Communications Inc.*, File No. EB-01-IH-0519, slip op. at 8 (FCC, Chief, Enforcement Bureau, rel. August 20, 2002).

<sup>3</sup> Another independent auditor is separately auditing the accuracy and completeness of performance data for the service quality reports that are the subject of this Report of Management. Accordingly, this Report does not cover accuracy and completeness of such data.

<sup>4</sup> Verizon has advised the Genuity independent auditor that the relevant audit period for the service quality conditions is from January 1, 2002 to July 23, 2002. The FCC has ruled that the service quality conditions expired by their own terms on July 24, 2002. *See Removal Order* at 2 n.4 and at 6 n.31. FCC staff has provided guidance to the auditor that the relevant period is from January 1, 2002 through December 18, 2002.

**3. Investor Safeguards**

Verizon complied with the requirements of this condition by voting its Class B shares in accordance with investor safeguards and Verizon was not asked by Genuity to consent, and did not consent, to Genuity's acquisition of a traditional voice long-distance provider.

**4. Independence of Genuity**

Verizon is independent of Genuity and has complied with the requirements of this condition in the following manner:

- a. The Genuity directors, other than the director elected by the Class B shareholder, are independent with no prior relationship with GTE, Bell Atlantic, or their affiliates, except for Genuity's Chief Executive Officer.
- b. The Class B director has not served as the chairman of the board of Genuity.

**5. Financing**

Verizon complied with the requirements of this condition by not providing more than 25% of the aggregate debt financing that Genuity is permitted to incur.

**6. Commercial Contracts with Genuity.**

Verizon complied with the requirements of this condition in the following manner:

- a. Verizon charged commercially reasonable rates for services purchased by Genuity under agreements with Verizon. In some cases, rates may have been established by agreement of the parties before the Genuity spin off under affiliate transaction rules. Verizon paid Genuity commercially reasonable rates for services provided by Genuity to Verizon.
- b. To the extent Verizon jointly marketed Genuity services, Verizon did so as and where permitted by law.

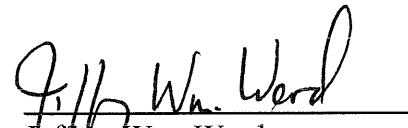
**7. Remedial Measures.**

Verizon complied with Remedial Measures in the following manner:

- a. By October 4, 2002, Verizon formed a Vice Presidential steering committee to oversee implementation of measures on submission of data to the independent auditor for the annual Genuity Condition audits;



- b. By October 4, 2002, Verizon reinforced orally and in writing (in quarterly compliance report documents and in other written communications) with responsible managers the requirement for timely provision of Genuity contracts to the Genuity Conditions audit management group in order to permit timely provision of such contracts to the Genuity Conditions independent auditor;
- c. Verizon established as a material performance evaluation element for the Senior Vice President, Regulatory Compliance, the submission of Genuity contracts to the Genuity Conditions independent auditor; and
- d. By December 31, 2002, Verizon made a report to the FCC's Enforcement Bureau concerning the effectiveness of the Remedial Measures and the need for further process improvements.

  
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Jeffrey Wm. Ward

Dated: May 23, 2003